



COMPTROLLER  
of MARYLAND  
*Serving the People*

From the Desk of the  
**Comptroller**

Winter 2015

Peter Franchot, Comptroller  
[www.marylandtaxes.com](http://www.marylandtaxes.com)



Five months ago, on the beaches of Ocean City and picnic benches overlooking Deep Creek Lake, I joined Maryland parents, teachers, and small business owners

to launch a grassroots, citizen-led initiative to collect 10,000 signatures in support of starting school after Labor Day.

Now, with more than 13,240 signatures, we have support from every corner of our state and from citizens of all different backgrounds. Marylanders want to give our students those critical life lessons that can't be learned in a classroom. They want their families to get a little more precious time together. They want hard-working teachers to have a little more time to recharge their batteries and spend quality time with their own families. They also want to give small businesses the boost they need in a tough economy.

The best part: We can do this without spending a dime of taxpayers' money

and without changing the current end of the school year in early to mid-June.

We all recognize the obvious fiscal and economic benefits: Tens of millions of dollars of direct impact on our state economy, millions in direct wages, and millions more in added state and local revenue. However, this isn't just about jobs, economic activity, and tax revenue to help further fund our most important priorities, like education and public safety. Fundamentally, it's about the precious, but fleeting time parents have with their kids. Not a day goes by when I don't think of a fond memory of my children, and more often than not, it's of a carefree day spent together in the summer.

I hope you and your families are off to a great start in 2015, and look forward to working together to get this commonsense adjustment done.

Peter Franchot  
Comptroller of Maryland

## New for Tax Year 2014

*Comptroller Peter Franchot has announced important information about recent changes to Maryland tax laws and filing processes for the 2015 Tax Filing Season*

Maryland opened its tax filing season on January 20, 2015, on the same day as the Internal Revenue Service, since it relies on IRS systems to process and verify state returns. This year's tax filing deadline remains April 15, 2015. *Continued on Page 5*

[www.marylandtaxes.com](http://www.marylandtaxes.com)

# Revenue

# Comptroller Begins Third Term



*On January 26, 2015, Comptroller Peter Franchot was sworn-in by Governor Larry Hogan for a third term; to the Comptroller's right is his wife, Anne Maher, their daughter, Abigail Franchot Borok and her husband, Daniel Borok; far right, is Maryland Secretary of State, John C. Wobensmith.*

*After being re-elected in November with nearly 63 percent of the vote, Comptroller Peter Franchot was sworn-in for a third term, becoming the fourth Comptroller in Maryland history to do so and only the third to serve three consecutive terms.*

After taking the oath, administered by Governor Larry Hogan in the House chamber, Franchot delivered a speech that highlighted three reforms: economic, fiscal and political.

He called for a multi-year moratorium on new or increased taxes or major regulatory changes saying, "We must restore a sense of certainty so families have enough financial security to spend disposable income and businesses have enough confidence to plan, hire and grow."

Referring to what he called, "fiscal responsibility with a purpose," the Comptroller repudiated the mindset "where

we measure support for an issue based on the dollars we spend rather than by the results we achieve."

Franchot pledged to overhaul the state's procurement process which he described as broken. "I'll be calling for a series of reforms that won't cost Maryland taxpayers a dime, that won't require legislative action, but simply require a greater degree of commitment to transparency, competition and attentive management."

The Comptroller also called for reforming politics in Annapolis. "Our fiscal and economic challenges aren't Democratic problems or Republican problems. They're Maryland problems, and they require us to all come together as Marylanders to solve them."

Franchot promised to continue his commitment to great customer service that has earned the agency national acclaim as the most efficient and effective Comptroller's Office in the country. 📺

# How to Choose a Tax Preparer in Maryland

*The Maryland State Board of Individual Tax Preparers qualifies and registers individual tax preparers in the State. An individual is required to be registered by the Board before providing individual tax preparation services. In Maryland, there are more than 4,000 Registered Tax Preparers.*

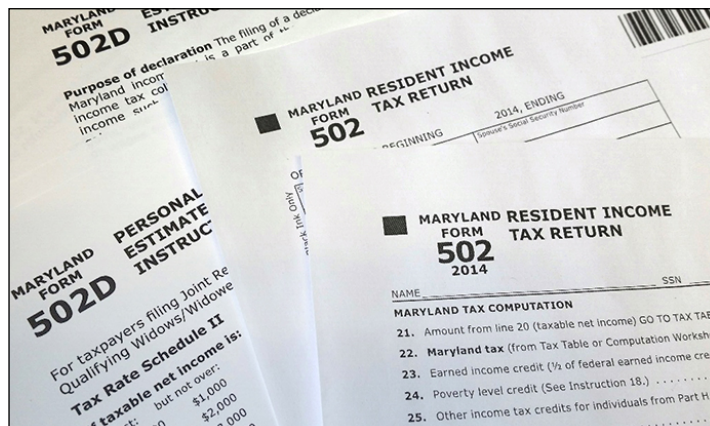
To qualify, an individual must be 18 years old, a high school graduate and pass an examination. The Board is authorized to deny registration, reprimand a registered individual or suspend or revoke a registration.

Using a Maryland Registered Preparer provides taxpayers with the confidence that their tax returns are being prepared accurately and legally. Taxpayers are reminded that they are responsible for their taxes, not the preparer. Taxpayers may file a complaint with the Board if there is a problem with a registered tax preparer.

In Maryland, a Registered Tax Preparer:

- 1. Has a certificate from the Board. Ask to see it.**
- 2. Must take continuing education courses in federal and Maryland tax subjects.**
- 3. Must pass a 3-hour tax exam by December 31, 2015.**
- 4. Has paid a fee to register with the State Board.**

While Maryland tax preparers are required by state law to be registered with the Board, there are a few exceptions.




To reach the Maryland State Board of Individual Tax Preparers, you may call 410-230-6257, email [indtaxprep@dllr.state.md.us](mailto:indtaxprep@dllr.state.md.us) or visit the website of the Department of Labor, Licensing and Regulation at <http://dllr.maryland.gov/license/taxprep/>.

The following do not have to be registered with the Board:

- **Certified Public Accountants (CPA)**
- **Enrolled Agents of the Internal Revenue Service**
- **Attorneys**

Maryland tax preparers must have a Maryland Registration and a Preparer Tax Identification Number (PTIN). A PTIN is issued by the Internal Revenue Service to all tax preparers in every state. It is not a Maryland Registration. Maryland preparers **MUST** have both. Ask to see your preparer's Maryland Registration Card.

Taxpayers can search on the Board's website for a registered tax preparer by name, or by the city or nearest town.

Go to: <http://dllr.maryland.gov/license/taxprep>. Choose the **REG SEARCH** tab. 

**TAX HELP** February 2 - April 15, 2015, 8 a.m. - 7 p.m., Monday - Friday,  
1-800-MDTAXES (1-800-638-2937) or from Central Maryland: 410-260-7980.



# Shop Tax Free for Qualified Energy Star Products

Marylanders will get a break from the state's 6 percent sales tax on qualifying Energy Star products from February 14-16, 2015. During Shop Maryland Energy weekend, the following qualified Energy Star products are tax free:

- Air conditioners
- Clothes washers and dryers
- Furnaces
- Heat pumps
- Boilers
- Solar water heaters (tax-exempt at all times now)
- Standard-size refrigerators
- Dehumidifiers
- Programmable thermostats
- Compact fluorescent light bulbs
- Light-emitting diode (LED) light bulbs



The poster features a green background with a blue shopping bag graphic on the left. The bag has 'SHOP MARYLAND' written on it, with a map of Maryland inside. To the right of the bag, the text 'SHOP GREEN ALL WEEKEND FEB. 14-16' is displayed in large, bold letters. Below this, the Maryland state flag is shown next to the text 'COMPTROLLER of MARYLAND Serving the People'. At the bottom, a list of qualifying Energy Star products is provided, each with a small icon: Energy Star logo, Programmable Thermostats, Compact Fluorescent Light Bulbs, Dehumidifiers, Air Conditioners, Washers and Dryers, Furnaces, Heat Pumps and Boilers, and Standard-size Refrigerators. A paragraph of text explains the tax break and provides contact information for more details.

Get a break from Maryland's 6% sales tax on qualifying Energy Star standard-size refrigerators, furnaces, washers and dryers, air conditioners, dehumidifiers, compact fluorescent light bulbs and programmable thermostats bought between February 15-17, 2014. Items not included in the special tax-free period include: wine and dorm-sized refrigerators, microwaves, dishwashers, stoves, windows, doors and other building materials. For more information, visit [www.marylandtaxes.com](http://www.marylandtaxes.com) email questions to: [shopmaryland@comp.state.md.us](mailto:shopmaryland@comp.state.md.us) or call 1.800.MD.TAXES.

*Energy Star products, pictured above, will be exempt from Maryland's 6% sales tax from February 14 - 16. For details see [www.marylandtaxes.com](http://www.marylandtaxes.com)*

From 12:01 a.m. on Saturday, February 14, through midnight on Monday, February 16, 2015, qualifying ENERGY STAR products will be exempt from Maryland's 6 percent sales tax. A list of exempt and taxable items is available on the Comptroller's Web site at [www.marylandtaxes.com](http://www.marylandtaxes.com), or by calling the Taxpayer Service Section at 1-800-MD TAXES or 410-260-7980 in Central Maryland. 📄

*Comptroller Franchot reminds taxpayers that the most efficient and secure way to file a tax return is electronically.*

## New for Tax Year 2014

*Continued from Page 1*

The Comptroller reminds taxpayers that the most efficient and secure way to file a tax return is to file electronically.

### **Local Tax Rate Changes**

For Tax Year 2014, Caroline County has increased its rate to 2.73%, Carroll has decreased its rate to 3.04%, and Charles County has increased its rate to 3.03%. See Local Income Tax Rates for the list of rates by county. For Tax Year 2015, Carroll County has decreased its rate to 3.03%.

### **Dependent Form 502B**

Taxpayers no longer will be asked whether or not they have sufficient medical assistance for dependents under age 19.

### **Increased Pension Exclusion**


Maryland's maximum pension exclusion, which is available to qualifying taxpayers 65 or older, increased from \$27,800 to \$29,000 for Tax Year 2014.

## Form 1099G Mailed to Taxpayers

*During 2014, more than 2.3 million individual taxpayers received an income tax refund from the Comptroller of Maryland.*

Federal law requires the Comptroller's Office to send a Form 1099G by February 2, 2015, to taxpayers who itemized deductions on their federal return and to whom an income tax refund, credit, or offset of more than \$10 was sent in 2014.

As a result, the Comptroller's Office has mailed approximately 1.23 million Form 1099Gs to taxpayers. In addition, email notifications have been sent to taxpayers who have requested the paperless Form 1099G informing them that their Form 1099G is available to be accessed and printed from our website at [www.marylandtaxes.com](http://www.marylandtaxes.com). Taxpayers can elect to save the state money by using the electronic Form 1099G.

Look for the checkbox on your electronic return to request your Form 1099G electronically. 

## Comptroller Hosted Economic Advisory Forum in Annapolis


*Comptroller Peter Franchot, as chairman of the Board of Revenue Estimates (BRE), convened an Economic Advisory Forum at the Louis L. Goldstein Treasury building in November to gain insights and perspectives from leaders in key business and industry sectors of Maryland's economy before the December revenue estimates.*

Joining the Comptroller were Treasurer Nancy K. Kopp, outgoing Secretary of Budget and Management T. Eloise Foster along with BRE Director Andrew Schaufele, who serves as executive secretary to the board.

Panelists included representatives from banking and financial services, automotive, restaurant, brewery and retail

establishments, real estate, manufacturing, distribution and transportation industries. As part of the Comptroller's on-going effort to include private business and industry leaders' real world perspectives in the revenue estimates process, the panelists testified about what they saw happening in their shops, offices and businesses.

In December, the BRE wrote down revenue estimates for Fiscal Years 2015 and 2016 by more than \$271 million on top of the \$405 million write down that occurred last September.

"It's yet another reminder that we haven't turned the corner from the worst economic downturn in our lifetimes and that we continue to experience one of the slowest and most anemic economic recoveries that any of us have ever seen," the Comptroller said in a statement released with the December write down. 

# 2015 Tax Filing Season Underway in Maryland


*The Maryland tax return filing deadline is Wednesday, April 15 — the same date as the IRS deadline.*

The Comptroller reminds taxpayers to file their personal income tax return electronically with tax preparation software, using a tax professional or taking advantage of the Comptroller's own FREE online system called iFile.

"The prompt processing of returns and reuniting you with your hard-earned money is my absolute top priority as Comptroller," Franchot said. "I'm proud of the agency's reputation as a national leader in efficiency and effectiveness with getting most Marylanders their electronic refunds within three business days."

A list of approved vendors for filing your electronic return can be found at **[www.marylandtaxes.com](http://www.marylandtaxes.com)**. Free state tax assistance is available at all of the agency's 12 taxpayer service offices, Monday through Friday, 8:30 a.m. to 4:30 p.m. A list of office locations can be found on page 7 of this issue of Revenews and on the website, too.

Taxpayers must have a completed federal income tax return and supporting documentation for agency staff to complete a state income tax return.


For more information on any tax-related matter, please go to the Comptroller's website at **[www.marylandtaxes.com](http://www.marylandtaxes.com)** or call 1-800-MD-TAXES (1-800-638-2937) or 410-260-7980 in Central Maryland. 

## Up and Coming Changes


### Estate Tax

In an effort to add consistency between the state and federal tax codes, last year's House Bill 739 allows Maryland to gradually conform to the value of the federal unified credit used for estate tax over the next five years.

Beginning 2015, Maryland increases the Maryland estate tax exemption for taxpayers dying during the year from \$1 million to \$1.5 million. For 2016 through 2018, the exemption will increase to \$2 million, \$3 million, and \$4 million, respectively. In 2019, Maryland will fully recouple with the federal estate tax exemption.

Maryland had mirrored federal regulations on estate taxes until the state de-coupled its estate tax in 2002 as the federal government began the phase-out of the federal estate tax and increased filing exemption amounts. 

### Tax Credits

- Eligibility for the Health Enterprise Zone (HEZ) Hiring Tax Credit has been expanded to include certain entities that operate within an HEZ. Check with the Department of Health and Mental Hygiene (DHMH) if you feel that your client may be eligible.
- The existing credit for wages paid in an enterprise zone will now include wages paid in a Regional Institution Strategic Enterprise (RISE) zone. For more information on RISE zones, check with the Maryland Department of Business and Economic Development.
- A new Qualified Vehicle Credit allows up to \$400 for the cost of titling and registration for each Class F Tractor (Big Rig) registered in Maryland for Tax Year 2014.
- Another new tax credit is the Maryland Cybersecurity Investment Incentive Tax Credit which allows a credit of 33% of the investment in a qualified Maryland cybersecurity company, not to exceed \$250,000. The credit can be claimed by the cybersecurity company. 

# Local Branch Offices Ready for Tax Season

*Taxpayers can obtain free Maryland income tax assistance in person or over the phone by contacting Taxpayer Service at 410-260-7980 from Central Maryland, or 1-800-MD-TAXES (1-800-638-2937) from elsewhere, or in person at any of the 12 locations listed below.*

## BRANCH OFFICES LISTED BY CITY - Assistance is available 8:30 a.m. - 4:30 p.m., Monday through Friday.

**Annapolis**  
**Revenue**  
**Administration Center**  
110 Carroll Street  
Annapolis, MD 21411

**Baltimore**  
**State Office Bldg.**  
301 W Preston Street,  
Room 206  
Baltimore, MD 21201

**Cumberland**  
**Allegany Museum**  
3 Pershing Street,  
Suite 101  
Cumberland, MD 21502

**Elkton**  
**Upper Chesapeake Corporate**  
**Center**  
103 Chesapeake Blvd,  
Suite D  
Elkton, MD 21921

**Frederick**  
**Courthouse/**  
**Multiservice Center**  
100 W. Patrick St. Room 2110  
Frederick, MD 21701

**Hagerstown**  
**Professional Arts Bldg.**  
One South Potomac Street  
Hagerstown, MD 21740

**Landover**  
**Treetops Bldg.**  
8181 Professional Place,  
Suite 101  
Landover, MD 20785

**Salisbury**  
**Sea Gull Square**  
1306 South Salisbury Blvd.,  
Suite 182  
Salisbury, MD 21801

**Towson**  
**Hampton Plaza**  
300 E. Joppa Road,  
Plaza Level 1A  
Towson, MD 21286

**Upper Marlboro**  
**Prince George's County**  
**Courthouse**  
14735 Main Street,  
Room 083B  
Upper Marlboro, MD 20772

**Waldorf**  
1036 Saint Nicholas Drive,  
Suite 202  
Waldorf, MD 20603

**Wheaton**  
**Westfield Wheaton South**  
**Building**  
11002 Veirs Mill Rd, Suite 408  
Wheaton, MD 20902

## BRANCH OFFICES LISTED BY JURISDICTION

ALLEGANY COUNTY  
*Cumberland*

ANNE ARUNDEL COUNTY  
*Annapolis*

BALTIMORE CITY  
*Baltimore*

BALTIMORE COUNTY  
*Towson*

CALVERT COUNTY  
*Upper Marlboro*

CAROLINE COUNTY  
*Salisbury*

CARROLL COUNTY  
*Frederick*

CECIL COUNTY  
*Elkton*

CHARLES COUNTY  
*Waldorf*

DORCHESTER COUNTY  
*Salisbury*

FREDERICK COUNTY  
*Frederick*

GARRETT COUNTY  
*Cumberland*

HARFORD COUNTY  
*Elkton*

HOWARD COUNTY  
*Wheaton*

KENT COUNTY  
*Elkton*

MONTGOMERY COUNTY  
*Wheaton*

PRINCE GEORGE'S COUNTY  
*Landover*

QUEEN ANNE'S COUNTY  
*Annapolis*

SOMERSET COUNTY  
*Salisbury*

ST. MARY'S COUNTY  
*Waldorf*

TALBOT COUNTY  
*Salisbury*

WASHINGTON COUNTY  
*Hagerstown*

WICOMICO COUNTY  
*Salisbury*

WORCESTER COUNTY  
*Salisbury*

## Comptroller at Towson Branch Ribbon-Cutting



*Staff and local elected officials officially cut the ribbon last fall on the newly renovated Towson Branch Office. From left to right: Baltimore County Clerk of Courts Julie Ensor; Branch Manager Curtis Barber; Comptroller Franchot; Baltimore County Councilman David Marks and Councilman Todd Huff.*

TAX FORMS, TAX TIPS, BROCHURES AND INSTRUCTIONS ARE AVAILABLE ONLINE AT [WWW.MARYLANDTAXES.COM](http://WWW.MARYLANDTAXES.COM) AND BRANCH OFFICES OF THE COMPTROLLER.

## Important Maryland Tax Phone Numbers

**Taxpayer Services:** Call 1800 MDTAXES (1-800-638-2937)  
or from Central Maryland 410-260-7980.

**Central Registration Unit:** For help in completing the Combined Registration Application, call 410-260-7980 from Central Maryland or 1-800-638-2937 from elsewhere. You can also fax your completed application to 410-260-7908 or complete and file the application online at [www.marylandtaxes.com](http://www.marylandtaxes.com).

**Refund Unit, Compliance Division:** For information about sales and use tax, admissions and amusement tax and tire fee refunds, call 410-767-1530.

**License Bureau, Investigative Services Unit:** To determine if special licenses are required, call 410-260-6240 or toll-free 1-866-239-9359. Send e-mail inquiries to [slb@comp.state.md.us](mailto:slb@comp.state.md.us).

**No Tax Due?** If you have no tax due for the filing period, you may telefile your business tax return at 410-260-7225. You can also file your business tax return electronically, using bFile.

**Visit the agency's website [www.marylandtaxes.com](http://www.marylandtaxes.com) to:**  
file business taxes electronically, using bFile; pay existing income and business tax liabilities online, using BillPay; register business tax accounts online; verify sales tax exemption certificates online; and use other online services.

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TTY users call via Maryland Relay at 711  
or 1-800-735-2258

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